City Light Review Panel Meeting
Meeting Minutes

Final Approved

Date of Meeting: June 18, 2025 | 9:00 – 11:00 AM
Meeting held in SMT 3204 and via Microsoft Teams

MEETING ATTENDANCE					
Panel Members:					
Leo Lam	√	Thien-Di Do	√	Oksana Savolyuk	
Joel Paisner	√	Ryan Monson	√	Bruce Flory	√
Kerry Meade	√	Toyin Olowu		Louis Ernst	√
Dawn Lindell (General Manager)	√	Leigh Barreca	√	Julie Ryan (Consultant /RP Facilitator)	√
Mike Haynes	√	Andrew Strong	√	Craig Smith	√
Kirsty Grainger	√	DaVonna Johnson		Maura Brueger	√
Julie Moore	√	Chris Ruffini	√	Angela Bertrand	√
Christine Parker	√	Carsten Croff	√	Brian Taubeneck	
Eric McConaghy	√	David Logsdon		Bridget Molina	√
Jeff Wolf	√	Julien Loh (Public)	√	Brittney Garcia Stubbs	
Susan Gunn	√	Karin Estby	√	Cierra Holland	√
Siobhan Doherty		Mujib Lodhi	√	Greg Shiring	√

Welcome and Introductions. The meeting was called to order at 9:03 a.m.

Public Comment. There was no public comment.

Standing Items:

Chair's Report. Leo Lam welcomed everyone and opened the meeting.

Review Agenda. Julie Ryan reviewed the agenda. She recognized Greg Shiring's upcoming retirements and thanked him for his service to the Review Panel and City Light and welcomed his successor, Christine Parker, to the meeting.

Approval of May 18, 2025, Meeting Minutes. Minutes were approved.

Communications to Panel. None

General Manager's Update. GM Dawn Lindell presented.

1. Today I would like to highlight the biggest challenges that we are facing at City Light. Some of these will not be new to you, but as the list expands, I want to keep you apprised of the focus areas that I am sharing with my boss and others in the mayor's office. The electric industry is facing more change and associated implications that come with it than at any other time in its 100 plus year history. As a clean energy leader in a state with a clean energy focus, Seattle City Light is uniquely positioned to be a trailblazer in navigating these issues.

   What all the challenges share is their creation of extreme rate pressure -- this is not unique to City Light as other utilities are experiencing the same issues. This impact will be felt by our underserved communities the most. The redevelopment of our utilities discount program is of high interest to both the city's executive and legislative branches, with the state weighing in via the Clean Energy Transformation Act on both energy and utility discount program requirements.

   a. **Skagit relicensing** – This massive effort has been underway for 8 years, almost twice as long as is required. Chris Townsend, the Director of Natural Resources and Hydro Licensing, is the lead negotiator with other major parties including two state agencies, three Tribal Nations, and three federal agencies to complete a comprehensive 50-year license agreement for the power project with the Federal Electric Regulatory Commission (FERC). The rate impact is about 7.5% for this $3.8B package over 50 years. Some of this rate impact is already built in (about $50M annually). With inflation, the impact to average rates is an additional 3.2% (beyond what is already embedded). **Current year:** Finalize relicensing agreement. This has proven extremely difficult with federal level chaos, but we are nearing conclusion but still have some challenges to overcome.
   b. We need to **double our nameplate capacity** in the next 9 years. Last year's biennial integrated resources plan (IRP) showed that we need to add 1,825MW of new nameplate generation to meet the needs of transportation and building electrification, and city growth. We also need to add 118MW of additional conservation for a total of 1,943MW. Additionally, from April 2024 – December 2024, we had 1,100+MW of capacity requests come in – this includes several data centers, additional university load, and new industrial & commercial loads. While some of it will not come to fruition, if even half of it does (and 800MW of it actually looks pretty firm), we have severely underestimated the need. We plan to add wind, solar, geothermal if we can find it, and small modular reactors as our primary baseload product. We will add batteries to help offset single day peaks. Every MW we add will cost significantly more than the cost of our current power. The entire NW region needs to increase capacity by 30% and most need to convert to clean energy sources as well, further driving up prices. Adding conservation MW costs around $40-$50/MWh (similar to our current costs) and this is our least expensive option. However, we cannot conserve our way out of this load increase. I don't yet have a full estimate of rate impact. **Current year:** Hiring one staff resource to actively work new generation deals, connecting with Energy NW on small modular reactors and determining when we join, resolving on market choice, participating in Western Resource Adequacy planning.
   c. We need **to add transmission** to bring this new generation in. This requires partnership and regional planning, NEPA approval and other regulatory issues, and time to build. The challenge: Idaho Power has been trying to build a transmission project for a full 20 years.

Current Year: Requested new license on BPA transmission, an active disagreement with BPA on how they have reclassified current transmission licensing.

d. We have over 300 miles **of direct buried cable** and many old assets that must be replaced. This requires approximately a 2%-3% per year rate increase for twelve years. With equipment failures increasing, our reliability numbers have been steadily declining. This is also severely impacted by climate change. Storms are longer, stronger and cover a broader land area than we have seen before. Supply chain issues continue to drive costs up. **Current year:** Completing an internal audit on the state of our assets. Simultaneously continuing with underground direct buried cable replacement projects (about 5 miles).
e. We are in the middle of **relicensing Tolt Dam** with SPU. This involves three different Tribal Nations than Skagit. **Current year:** Engage with tribes, working to finalize the path forward
f. We are deficient in complying with **Open Access Transmission Tariff (OATT) Standards of Conduct** and must come into full compliance with our transmission responsibilities. **Current year:** Complete compliance with public posting of outages and standards of conduct full training implementation to finalize separation of marketing and operations.
g. Most of our **technology is a decade behind** and is not fully utilized. This includes automated meter infrastructure (AMI), Customer Care and Billing System (CC&B), lack of any Advanced Distribution Management System (ADMS), partial implementation of a new Outage Management System, GIS mapping, Work and Asset Management system and even our travel system. I do not have a rate increase here defined yet, but it will be approximately 1-3% per year. **Current year:** Hire a CIO (done) and develop a strategic technology 10-year roadmap.
h. We must make a sharp right turn in our **culture**. Not only does this include the kinds of misconduct reported but also proactively creating a culture that values diverse ideas and opinions and is agile enough to respond to industry issues. We are short-staffed when we compare ourselves to our benchmark utilities. **Current year:** Continue with monthly leadership skills training, August class on Crucial Conversations for the entire Network Team, expansion to all craft, create safety program around human performance/just culture (due 7/1), continue training on anti-harassment, anti-retaliation, organization wide focus on creating new culture and leading into revised values by year end.
i. We are still preparing for **FIFA. Current year:** Actively participating in FIFA planning and operations; completing implementation projects related to reliability, physical and cyber security at all practice and game sites.
j. We need to improve our **developer connection processes**. When I arrived, we were at 54 weeks to energize a new project. I put out a BHAG (Big Hairy Audacious Goal) to reduce to 26 weeks this year **(currently at 46 weeks, down from 54) and reach 16 weeks by the end of 2026 (industry standard). Current year:** 26 weeks by 12/31/2025
k. To serve the expanding EV market, we need to **add 11,000 level two chargers** and 1000 DC fast chargers by the end of 2030. This is also a heavy lift. **Current year**: Replacing current EV charging vendor that ceased business on 4/30/2025 (we were notified of this in December 2024) and executing the Transportation Electrification Strategic Implementation Plan approved by City Council in January.

l. Ensure that we have **a workforce with the right skills** and abilities to support our current and emerging business needs. This will include investing in our existing staff as well as hiring some new staff with skills that will enable us to accomplish the work ahead of us. **Current year:** Leadership training to reinforce the skills needed to empower our teams to lead the staff reporting to them. Providing our employees with opportunities to learn new skills as needed and expanding our hiring pipeline through the apprenticeship and other programs.

m. Selection of our **Power Market** - Seattle City Light has been weighing our market decision based on physics and finances. BPA's leaning and now initial decision to go to M+ will cost Seattle rate payers between $7M to $21M annually, depending on the study. It could be as high as $45M. Some desert SW customers have a study that shows advantages for them with EDAM and others show advantages for M+. Everyone likes the governance model for M+ better. CAISO has legislation in play today that changes the governance structure for the market. Markets can mean greater efficiency and lower GHG when the market moves lowest cost and clean energy first to states requiring that like CA, OR, WA and CO. BPA's updated analysis reinforces that EDAM or WEIM-only options provide greater benefits, particularly through better connectivity. The $69 to $221M loss in benefits to BPA's preference customers has the potential to negatively impact City Light customers in increased power costs by $7 million to $21 million per year.

n. We need to **increase rates** to support key priorities. The need to procure power, address aging infrastructure, modernize our technology, and meet the costs associated with a new Skagit license all contribute to upward pressure on rates. In the coming months, I will bring forward presentations on each of these areas. It's important that we communicate transparently how these factors will affect rates over the next 6 to 10 years. These projected rate impacts will be included in our 2027–2032 Strategic Plan, which we'll submit to the Mayor and City Council next spring.

2. **City Light in the Community** Utility Assistance In-Person Enrollment: City Light and SPU in coordination with HSD are partnering with DON on Utility Assistance in-person enrollment activities. In late May, Utility Assistance Operations staff led the first of two trainings for the newly formed DON Community Liaisons Utility Assistance cohort. The cohort will include liaisons representing 16 different language communities. The Community Liaisons will partner with Utility Assistance Operations staff to provide interpretation services and general support at in-person enrollment events. This partnership with DON supports the Utility Assistance IDT's collaborative approach to improving service equity throughout the utility assistance enrollment process and expanding engagement with priority populations.

   Q: Is peak demand expected to double?
   A: We received more load request than expected. The forecast was an increase of 1,825 MW by 2034, but City Light received 1,100 MW in requests in 2024. The good news is actual load has not increased. Three large customers used less power than expected. Revenue is down due to tariffs.

Comment: Appreciation was expressed for the clear explanation of the many challenges City Light is facing, described as "general chaos" due to the volume and complexity of issues coming from different directions. Despite the challenges, the Review Panel member shared excitement, seeing this as an opportunity for innovation and political alignment.

A: Yes, it is exciting. We shift between excitement and concern. Angela Bertrand has led us through the 10 Year Roadmap. The next 10 years are critical. We have strong metrics in place, more focus, and confidence that we will deliver. I am impressed by the people here.

Q: Given recent federal funding cuts, how will this affect the execution of the strategic plan? Are you anticipating reduced federal support, and how do you plan to replace those resources?
A: Yes, this is a significant concern. We've actively pursued grants at both the federal and state levels and will continue to do so wherever possible. However, federal funding is decreasing quickly. If grants become unavailable, we may need to increase rates. This makes it even more important to maintain and expand utility discount programs for low-income families, retired, and vulnerable customers. Our priority is to meet electricity needs reliably.

Q: Have any grants been cut or frozen?
A: Some grant activity has stalled. For example, the GRIP grant progress has stalled. There is a state-level program in Washington focused on clean & green energy, which generates revenue through a clean energy program. These funds are specifically designated for electrification projects and must, by law, prioritize underserved communities. On the federal side, we had pursued four hydro-related grants amounting to $15 million for City Light that are currently on hold. As of yesterday, the Department of Energy continues to pause the Section 247 programs for hydro dams, which could relate to dam safety, hydropower, environmental work, and dam decommissioning.

Q: With all the challenges discussed, there is a real concern about rates and pressure rates. City Light has significant infrastructure needs and even meeting those doesn't account for more advanced work such as replacing direct- buried cables throughout the city. It will be important to communicate carefully and clearly due to the risk on falling short on rate coverage.
A: Agreed it will be a real challenge to determine how to best spread it out over time in order to accomplish all the necessary goals.

Q: You mentioned that conservation is part of the new supply. I know there is an estimate for that. Is there a broader analysis of the overall potential, specifically, do you have a sense of the potential if we really put the pedal to the metal on solar?
A; Yes, every two years we are required to do a Demand Side Management Potential Assessment, and we will be bringing this to Council this summer. It evaluates the total potential, identifies what is technology feasible and narrows it down to a smaller subset that is economically viable. We analyze cost in terms of dollars per megawatt and we cut it off at a certain dollar per megawatt

and we go after those potential assets. That will be presented to the Panel this fall as part of the integrated resource plan.

Legislative Update Maura Brueger & Cierra Holland presented. The presentation is in the meeting materials.

Q: WA 5466 bill did not pass, but may come back next session. What is your read/position of that bill?
A: This bill would increase the state's role in planning and permitting the location of transmission corridors. It's a complex issue because transmission projects can cut across several states and not just be a Washington state project. So as proposed, this introduces an added layer of planning. Although we did not fully support that added layer of oversight, we do support having conversations about transmission planning. Additionally, the bill includes provisions that lessened some of the State Environmental Policy Act for transmission location. That could be beneficial to City Light.

Q: Are we seeing any further movement on siting? I've noticed some changes and minor adjustments, but overall, it seems increasingly difficult to site new facilities whether it's transmission or generation. Is there any indication that the Legislature or Governor's Office is interested in streamlining the process or strengthening the Energy Facility Citing Committee (EFSEC)? Any updates or general sense of direction?
A: A new EFSEC director, Kurt Becket (formerly with the Port of Seattle) has been appointed to lead the committee. We have met with him several times. Most of the load growth is occurring on the west side and many of the projects are being developed on the east side. Joint project development has been helpful as Washington customers can benefit. There is much work to be done in the off-season and the new governor and his staff have put new energy into it.

Large Load Policy Kirsty Grainger, Susan Gunn, and Jeff Wolf presented. The presentation is in the meeting materials.

Q: Why is the peak load forecast growing at a greater rate than average energy demand?

A: Customers are adding demand – such as heating systems and electric charging demand – that drives up the peak demand. There are also an increased number of extreme winter events.

Q: At the end of the PPA, is the customer back at the regular rate?
A: We looked at Tacoma Power's policy and adjusted it for City Light's service territory. We opted to not state that new large load customers would go back to the regular rate. At this point, we don't have a definitive answer, that aspect remains open for now and may vary by contract.

Q: Are the anticipated large load customers primarily expected to be data centers or crypto, or are there other types of large load customers being considered?
A: It's across the board. While data centers and crypto are part of it, we're also seeing interest from other sectors, such as the Port and other entities pursuing electrification and transportation-related load growth.

Q: Have you incorporated TOU in your projections.
A: Yes, we have incorporated TOU and demand response into our forecasting. Helping customers understand and initiative to change behavior is built in our resource plan as well. Transportation loads can shift to end loads. Most TOU programs in the US are designed for summer cooling demand, not heating. It will be interesting to see how this will work for winter heating.

Q: I appreciate City Light's approach of using tailored contracts for these customers. There's real opportunity to partner with large users, like data centers, to explore innovative solutions, such as heat recovery and rooftop solar, that could benefit both the utility and customers by managing overall system
A: Yes, this ordinance supports that goal by allowing flexibility, rather than applying a one-size-fits-all approach. This enables us to work with each customer to understand how they use electricity, and to explore opportunities for co-generation. We want to partner with large end users. But we need to protect existing customers from rate risk and reliability risk, when trying to accommodate growing demand.

Q: To better understand the scale of cost, regarding the 10-year Power Purchase Agreement (PPA) and related infrastructure, what percentage of the total cost does the upfront or extreme cost represent? Alternatively, how many years of power is that cost equivalent to?
A: It will depends upon the load size and location. It also depends on whether transmission or distribution is needed. Everyone is looking for more power and transmission. There is significant financial risk. We don't know how much this will cost and we are looking for way we are prepared for that financial risk.

Articles referenced in the Large Load presentation:

https://www.seattletimes.com/seattle-news/times-watchdog/power-hungry-how-the-data-center-boom-drained-wa-of-hydropower/

https://www.lppc.org/news/growing-demand-for-electricity-requires-new-policy-solutions

10 Year Strategic Roadmap Update Angela Bertrand presented. No questions at this time.

July Agenda. We will have presentations on the Clean Energy Implementation Plan (CEIP) and Power

Supply.

Adjourn. The meeting was adjourned at 10:57 a.m.

Next meeting: July 16, 2025, 9:00 – 11:00 a.m.